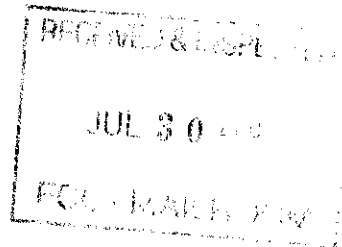


July 24, 2007

Ms. Marlene Dortch, FCC Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554



RE: Exclusive Contracts – please include in the record for FCC 07-32, MB 07-51

Dear Ms. Dortch,

Please accept this letter as support for keeping Exclusive Contracts (ECs) in tact for small MVSPs or, Private Cable Operators (PCOs). I agree with the viewpoint that ECs are inhibiting competition by keeping the Telcos out of the MDUs in their areas and that MSOs are defending their position in this struggle since they hold the vast majority of the ECs. However, PCOs being the smallest of the competitors would be trampled in this battle of giants if not allowed to keep using ECs to protect their investment.

My perspective is shaped by our company's deep involvement in the industry for the past twenty-two years. We currently supply analog/digital video and high speed internet to twenty-four MDUs containing 7800 units across the Phoenix metro-plex made up of apartments and condo/townhomes. While we only serve approximately 4000 subscribers as a niche competitor we have enough impact on our local MSO that they have actually modified some of their behavior in order to better serve the MDUs. Locally they are signing shorter agreements with more favorable terms for the developer with additional services to the residents. As an operator in the Phoenix market we responded to developers requests to add Wi-Fi around pool and clubhouse areas to enhance the residents High Speed Internet experience. While this is a small amenity it helps us differentiate ourselves from the local MSO and increase the competition as residents are now requesting this feature at other MDUs.

In addition to our role as a PCO we also sell programming, equipment and consulting to other PCOs across the country giving us a broad and exceptional insight into the PCO industry as a whole. As a programming aggregator what we have witnessed in Las Vegas should serve as a leading indicator of what to expect if ECs are eliminated. Nevada, being a mandatory access State, enables Cox to overbuild any MDU in their area, which is what eliminating ECs would duplicate. Cox went into each MDU of desirable demographics and by offering free services for extended periods completely destroyed the cash flow for the PCOs. Cox has yet to go into the low end complexes the PCOs were left with. This tactic of cherry picking and choking out the small competitor has created a complete void of viable PCOs in Nevada.



Convergent Broadband Communications, Inc. (CBC)
4529 E. Broadway Rd., Suite 100
Phoenix, AZ 85040

No. of Copies rec'd. 0
List ABCDE

In the FCC's pursuit to foster competition keeping EC's in tact for the PCOs would help meet this objective. While the large telcos are shaping up to possibly be strong competitors to the MSOs their footprint still remains contained and outside of these few large telcos eliminating ECs would eliminate the MSOs only competitor in MDUs. As an example; in the Phoenix market Qwest has all but exhausted itself trying to compete with Cox and PCOs are now the largest competitor in this space. If ECs are eliminated none of the MSOs will have any serious competition for MDUs in the entire Qwest footprint. This scenario is prevalent across most of the country and is not isolated to the Qwest example.

The PCO business is a very tough market to survive in as our costs for programming are significantly higher, our placement and carriage restrictions are much greater and our access to capital is limited. It is most likely that the PCO industry will always remain a relatively small industry due to its provincial nature. The success of the PCO stills lies in its ability to deliver services as a local small business that is sensitive to the needs of the developer's residents. However, the regulatory overhang surrounding the fate of ECs recently stifled our efforts to secure Private Equity investments for expansion into additional markets. Without ECs the funding is not available. From my perspective and experience in the industry I am absolutely certain that eliminating ECs would result in the unintended consequence of diminishing competition in the MDU space.

Sincerely,



Don Bowen

President

Convergent Broadband Communications, Inc. (CBC)

602.386.4423 direct

602.386.4401 fax

don@cbbaz.com

www.cbbaz.com



CONVERGENT
Broadband Communications

Convergent Broadband Communications, Inc. (CBC)
4529 E. Broadway Rd., Suite 100
Phoenix, AZ 85040